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# DUNDALK INSTITUTE OF TECHNOLOGY AIB BUSINESS CREDIT CARD PROCEDURES

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## 1.0 Rationale and Objective

This policy specifies the use of, responsibilities and restrictions on the Institute's AIB Business Credit Cards.

### 1.1 Scope

This policy applies to all staff of the Institute which have been issued with an Institute AIB Business Credit Card. These cards are only issued to the following staff: members of the Executive Board, Head of Research and the Estates Manager.

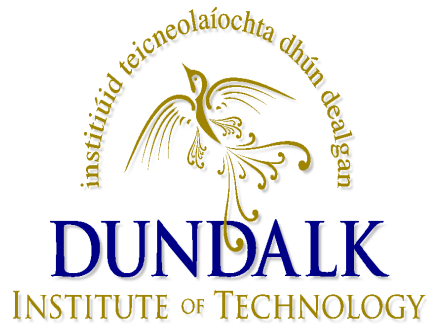
### 1.2 Purpose and Context

The Dundalk Institute of Technology AIB Business Credit Card was introduced as an alternative purchasing and payment mechanism to provide for efficiencies in the procurement of low value purchasing, ad hoc activities and travel related transactions.

## 2.0 How it Works

The DkIT AIB Business Credit Card simplifies the procurement/ disbursement process by facilitating point-of-demand procurement. Procurement responsibility is delegated to the ordering department enabling an authorised cardholder to place an order directly with a vendor.

- 2.1 The AIB Business Credit Card must only be used for Institute business expenditure.
- 2.2 From 1<sup>st</sup> May 2014 the monthly credit limit will be set at €1,500 for all cards currently in issue. The only exceptions to this are the following: The credit limit for the card held by the Head of Research is set to €5,000 and the credit limit for the card held by the Vice President for Finance and Corporate Affairs is set to €15,000. There are various transaction limits on these cards.
- 2.3 An additional Credit Card will be held by Central Procurement for use in exceptional non routine circumstances – this card is in the name of the Vice President for Finance and Corporate Affairs.
- 2.4 Where a supplier is already set up on Agresso, the Agresso system must be used to make the purchase. The Credit Card may only be used if the supplier is not set up on Agresso **and** this is a once off purchase. If in doubt as to the existence of a supplier on Agresso, please check with Central Procurement or Accounts Payable.



- 2.5 Exceptions to this once off rule do occur. Only the following reoccurring suppliers may be paid by credit card:
- SurveyMonkey
  - Tesco Online
  - Amazon
  - Emergency out of hours purchase by Estates Office.
- 2.6 The Credit Card **should primarily be used for** the following type of purchases:
- Flights;
  - Accommodation;
  - Online Subscriptions and Retailers as listed in 2.5.
- 2.7 The credit card **should not** be used to/for:
- Any expenditure which requires the deduction of Withholding Tax e.g professional services, Consultancy, design;
  - Withdraw Cash;
  - Purchase Fuel;
  - Payment in Restaurants and Bars i.e entertainment/hospitality;
  - Purchase items less than €50 which should be purchased using Petty Cash, Please refer to the Petty Cash Policy;
  - IT Equipment and software (only the IT Manager has authority to purchase these items);
  - Items of a capital nature e.g furniture, office equipment, laboratory equipment etc;
  - Purchase of flowers and gifts;
  - Stationery;
  - Purchase from suppliers already set up on Agresso;
  - Personal Expenditure. Anything which is deemed personal expenditure will need to be repaid by the individual concerned.

This is not an exhaustive list. If in doubt please contact the Finance Office.

- 2.8 Any deviations from above must be **agreed in advance and in writing** with the Finance Office. Failure to follow these guidelines will result in the card being cancelled.



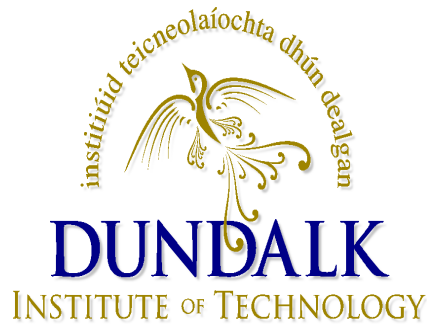
### 3.0 Placing an Order

- 3.1 The AIB Purchasing Card Template Form must be completed before the purchase is enacted- See *Appendix 2*. This form also needs to be completed for the credit card maintained by Central Procurement.
- 3.2 If applicable ensure DkIT's procurement thresholds have been adhered to and have been properly documented.
- 3.3 All sections of the Template must be completed. The nature of the purchase, the total cost of the purchase including VAT, delivery costs etc. These costs should be shown on the Template. It is the responsibility of the purchaser to ensure all sections are completed and fully signed.
- 3.4 **If dealing with purchases outside the Republic of Ireland (ROI) care must be taken to ensure DKIT does not overpay VAT. When purchasing outside ROI, DkIT's VAT number should be supplied to the Supplier and all purchases should then be paid excluding foreign VAT. Under no circumstances should DkIT pay foreign VAT. The reason for this is that DkIT still have to self-account for VAT on all its foreign purchases based on Irish VAT rates. If foreign VAT is paid on a transaction, DkIT will still have to pay Irish VAT on this transaction which could give rise to up to 50% of VAT being paid on a transaction. Please ask the Head Administrator in your area for DkITs VAT number before getting a final price or completing the transaction.**
- 3.5 In addition to the importance of being aware of foreign VAT it is the responsibility of the Cardholder to ensure the foreign currency conversion to EUR does not exceed the €1,500 limit.
- 3.6 All purchases must have prior approval of the Agresso Subacc Budget Holder and the Cardholder. The card details should only be handed over to process the payment once all of the above have been completed. The Cardholder for the Central Procurement credit card is the Secretary/Financial Controller. This card will be held Central Procurement.
- 3.7 Once the payment has been made all supporting documentation must be attached to the AIB Business Credit Card Template Form. i.e. procurement documents, original invoice, airline confirmation email showing the exact price or any other relevant confirmation of purchase.

- 3.8 These documents should be returned to the senior administrator responsible for administering the card.
- 3.9 The senior admin person must maintain a log of each time the card is used. Please see attached spreadsheet containing all the information required from the purchaser when requesting use of the card. These details include (see *sample Figure 1*):
- Supplier name
  - Supplier address
  - Description/Nature of the purchase
  - Cost ex VAT
  - VAT amount
  - Total cost
  - Guidelines AIB VISA Business Card.docxGL Account code
  - GL Subaccount code
  - Attribute (mostly required for travel/accommodation booking)

Dundalk Institute of Technology													
AIB Credit Card-Log Sheet													
Card holder name:		Peter McGrath											
Last 4 digits of card:		XXXX											
Transaction List													
Month	Date	DKIT purchaser	Supplier name	Supplier address	Description of purchase	Value Ex VAT	VAT	Total Value	Approver	GL Account code	GL subaccount code	GL Attribute	Invoice provided
October 2011													
<i>Example:</i>	01/10/2011	Marie Madigan	Aer Lingus	<a href="http://www.aerlingus.com">www.aerlingus.com</a>	Flight to London to attend ICAI conference on 4/10/11	€100.00	€21.00	€121.00	Peter McGrath	3400	DADM003	2PUB	Yes
	15/10/2011	Marie Madigan	Amazon	<a href="http://www.amazon.com">www.amazon.com</a>	Journal for financial accounting research proposal	€50.00	€10.50	€61.50	Peter McGrath	3900	DADM003		Yes
Total for October 2011						€150.00	€31.50	€182.50					
Balance per AIB VISA statement								€182.50					
Difference								Nil					
November 2011													

*Figure 1 - Sample of Purchasing Card Log*



#### 4.0 Month End Procedures

- 4.1 AIB Business Credit Cards statements are received by Finance at the end of every month. These statements will initially be reviewed by the Finance Manager and any queries will be addressed on the copies sent out to the cardholders.
- 4.2 When the copy of AIB Business Credit Card statement is issued, the senior administrator must reconcile the statement to the Purchasing Card Log. The applicable Agresso GL Codes should be input for each purchase transaction on the statement copy.
- 4.3 The copy AIB Business Credit Card statement must be reviewed and signed by the cardholder. Any questions raised by the Finance Manager must be answered. The following documentation must be returned to the Finance Office no later than the 10<sup>th</sup> of the Month following the statement date :
  - A. Copy AIB Business Credit Card statement-signed by Cardholder and Agresso coded by Senior Administrator.
  - B. Completed Purchasing Card Log
  - C. Original AIB Purchasing Card Template Form- fully completed.
  - D. Original Backup Documentation attached to each AIB Business Credit Card Template Form.
  - E. Any other relevant documentation.
- 4.4 The Finance Office will review all documentation. Transactions will be posted on Agresso. Central Procurement will review all statements to ensure all tax liabilities have been properly accounted for. Vat liabilities will be posted to the respective GL codes when the bi monthly VAT returns are being reconciled.



## 5.0 Authorisation and Responsibility

5.1 The Cardholder is ultimately responsible for the security of the card and the appropriateness of use. They must ensure that all charges are in compliance with Institute Policies. The Secretary/Financial Controller reserves the right to cancel, without notice any credit card funded by the Institute in cases where policies have not been adhered to or where expenditure recorded is deemed inappropriate.

5.2 Each Cardholder shall:-

- Keep their card secure at all times;
- Keep within the credit and transaction limited agreed for their card and stay within budget limits;
- Only use the card to procure goods or services on behalf of the Institute, never for personal or non Institute purposes;
- Follow the procedures in this manual;
- Inform the Finance Office immediately of any change of details e.g leaving employment;
- In the event of loss or theft immediately notify the bank by telephone and inform the Finance Manager.



## Appendix I –Security Awareness

### Shopping by mail order, phone or on the Internet

#### *Shopping over the phone or by mail order*

- **Know who you are dealing with** – Before you give your card details to a retailer make sure you know who you are dealing with. Do some research to check out that they are legitimate and reputable.
- **Keep a record of the Transaction** – If you give your card details to a retailer/seller over the phone, make a note of the phone number, shop name, the date and time of your call, and the name of the person who recorded your card number. Make sure to get the seller's phone number (preferably a landline number because some mobile phone numbers are untraceable) and a postal address (make sure it is not a P.O. Box).
- **Payment Details** – In advance of giving your card details ask the seller to confirm the full amount of the transaction and any terms and conditions attached to it.
- **Delivery Details** – Check when you should expect delivery. In the event that delivery does not happen at the expected time, contact the seller as soon as possible and try to resolve the matter directly with them. In the event that you do not reach a resolution and your card has been debited you can contact your card issuing bank for advice.

#### *Shopping on the Internet*

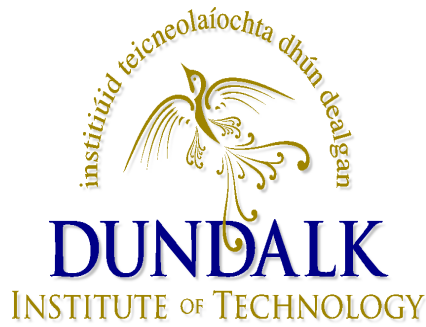
- **Know who you are dealing with** – Try to find out as much as you can about the retailer before you purchase anything from them. Use shops that your friends and colleagues have used successfully or ones that you have heard about through trusted sources.
- **Make sure your Internet access is secured** – The beginning of the retailer's Internet address should change from 'http' to '**https**' before a purchase is made. This indicates that you are using a secure connection.
- **Look for the Padlock** - Click on the security icon (the padlock or unbroken key symbol) to ensure that the retailer has an encryption certificate. The link should describe the type of security and encryption being used.
- **Keep your Operating System and Security up to Date** - Check with Computer Services that you have the latest operating system and web browser security updates installed. Make sure your browser is set to the highest level of security notification and monitoring.
- **Keep a record of your purchase** – Print out or save a copy of your order as well as the retailer's terms and conditions and return policies. There may be





additional charges such as local taxes and postage, particularly when you purchase from abroad. Remember that DkIT should NOT pay foreign VAT on any purchases.

- **Read the Terms and Conditions** – Ensure you are fully aware of any payment commitments you are entering into, including whether you are instructing a single payment or a series of recurring payments.



## Appendix 2- AIB Business Card Template



### AIB Business Credit Card Template

1. Supplier details	
Supplier name:	_____
Supplier Address:	_____

2. Transaction details	
Date of transaction:	_____
Detailed description of transaction:	_____ _____
Currency:	_____
Value ex VAT:	_____
VAT:	_____
Total Value:	_____
GL Account code:	_____
Subaccount code:	_____
Attribute:	_____

Requested By: \_\_\_\_\_

Date: \_\_\_\_\_

Approved By Budget Holder: \_\_\_\_\_

Date: \_\_\_\_\_

Approved By Cardholder: \_\_\_\_\_

Date: \_\_\_\_\_

Please complete and return to the holder of the VISA Business card in your school for filing.  
Please ensure original VAT receipts / purchase confirmations are attached.